

JAN 11 1990

OP 89-3415

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Deputy Director for Administration
Deputy Director for Planning and Coordination
Director of Congressional Affairs

FROM: George W. Owens
Director of Personnel

SUBJECT: Review of the Administration of CIARDS (U)

1. Action Requested: That you transmit the annual report on the administration of CIA Retirement and Disability System (CIARDS) to the House Permanent Select Committee on Intelligence. (U)

2. Background: Since 1978 the Agency has, pursuant to the requirement by the House Permanent Select Committee on Intelligence, submitted an annual report on the administration of CIARDS. Since 1986, the reports have been prepared by

[redacted]
Company. We are fortunate to have him again review our administration of CIARDS for the past year and prepare the report which is sent to the Committee in January. (U)

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3. Staff Position: In his letter of transmittal to you, [redacted] concludes that "the Agency administered the Central Intelligence Agency Retirement and Disability System in a manner wholly consistent with the intent of Congress." (U)

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4. Recommendation: That you sign the attached letter transmitting the annual report to the Chairman of the House Permanent Select Committee on Intelligence. (U)

[redacted]
George W. Owens

Attachments:

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- A. Transmittal letter to Chairman, House Permanent Select Committee, House of Representatives
- B. Annual Review of Designation of Participants Under Section 203 of the CIA Retirement Act

[redacted]
SECRET

SUBJECT: Review of the Administration of CIARDS

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CONCUR:

Director of Congressional Affairs

22 Jan 90
Date

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Deputy Director ~~for~~ Administration

18 Jan 90
Date

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Deputy Director for Planning and Coordination

24 Jan 90
Date

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Deputy Director of Central Intelligence

25 JAN 1990
Date

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29 December 1989

The Honorable William H. Webster
Director of Central Intelligence
Washington, D.C. 20505

Dear Judge Webster:

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees authorized the Director of Central Intelligence to establish and maintain a special retirement system for a limited number of employees. Both the Congress and the Agency contemplated that the new retirement system would apply to about thirty percent of Agency employees.

In 1976 the House Armed Services Committee directed the Agency to make annual studies and to submit reports on its administration of the special retirement system, with particular reference to the manner in which the Agency has exercised its discretion to designate employees for participation. This is the fourteenth in the series of reports, which is now submitted annually to the House Permanent Select Committee on Intelligence.

During fiscal year 1989 the Director of Personnel, assisted by the Central Intelligence Agency Retirement Board, has continued to apply strict criteria in the exercise of discretion to determine what service is qualifying for participation in the CIA Retirement and Disability System (CIARDS) or the special provisions of the Federal Employees Retirement System (FERS Special). After extensive review, this writer has found no deviations from the law, the regulations, or established Agency policy.

CIARDS continues to be a valuable tool of personnel management, helping to keep the intelligence service young by facilitating early retirement. Employees retiring under CIARDS or FERS Special are about six years younger than Agency employees retiring under the Civil Service Retirement System or FERS.

It is my opinion that during Fiscal Year 1989 the Agency administered the CIARDS and FERS Special designations in a manner wholly consistent with the intent of Congress.

Sincerely yours,



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